1. Call to Order, Roll Call, Opening remarks.

   Mr. Bryan Raines
   Committee Chairman

   The meeting was called to order at 10:30 A.M. by Chairman Raines.

2. Review, discussion and possible approval of Operations, Governance Policy and Audit Committee Minutes from August 22, 2017.

   Mr. Bryan Raines

   MOTION:1-10/26/17  At 10:31 A.M.
   Motion:  To approve the Operations, Governance Policy and Audit Committee Minutes from August 22, 2017.
   Moved by:  Mr. Scheidt
   Seconded by:  Mr. McNeill
   Discussion:  None
   In Favor:  Unanimous
   Motion:  Passes

3. Review and discussion of staff operation reports.

   Mr. Jared A. Smout
   Administrator

   a. Operations Update Report

      The Tier 3 process is working well.
b. Year to Date Budget Report

PSPRS is currently 2.5% under budget.

c. Local Board & Employer Outreach Report

This written report was provided in the information for the Board.

d. Local Board Rehearing Report

There are five requests for local board rehearsings.

e. Communication Efforts

The PSPRS e-mail and website are being updated constantly and social media is utilized in order to reach all stakeholders, including retirees.

f. Law Firms' Billings for Legal Services

The September legal bills were presented as paid.

4. Review, discussion and possible Recommendations on Strategic Plan.

Mr. John Briney
Enterprise Systems Architect

Progress regarding human resources tasks and development training was described. Also updates were provided regarding member services division performance, technical and policy improvement, security training, migration to the web, communication and outreach performance measures and employer training seminars.

5. Review, discussion and possible Recommendations on Workforce Planning.

Ms. Patricia Shaner
Human Resources Director

Succession planning is being developed. We have a number of people eligible or very close to being eligible for retirement so we are evaluating the organization with that in mind to come up with a plan to be prepared.


Mr. Jared A. Smout

Three areas of the Governance Manual were discussed regarding possible updates, mostly for technical changes. They included Section 4.06, The Administrator Charter, Section 5.15, Policy for Development and Implementation of Legislative Agenda and Use of Lobbying Services and Section 5.16, Policy Regarding Review of PSPRS Local Board Action.

<table>
<thead>
<tr>
<th>MOTION:2-10/26/17</th>
<th>At 11:01 A.M.</th>
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<tbody>
<tr>
<td>Motion:</td>
<td>To recommend proposed changes by Mr. Smout to go to the full board.</td>
</tr>
<tr>
<td>Moved by:</td>
<td>Mr. McNeill</td>
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<tr>
<td>Seconded by:</td>
<td>Mr. Scheidt</td>
</tr>
<tr>
<td>Discussion:</td>
<td>None</td>
</tr>
<tr>
<td>In Favor:</td>
<td>Unanimous</td>
</tr>
<tr>
<td>Motion:</td>
<td>Passes</td>
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7. Review, discussion and possible **Recommendations** on Internal Audit Plan.

*Ms. Lisa Sweeting*

*Internal Auditor*

The Internal Audit Plan for FY 2019 was described and discussed.

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<tr>
<th>MOTION:3-10/26/17</th>
<th>At 11:15 A.M.</th>
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<tbody>
<tr>
<td>Motion:</td>
<td>To recommend approval of the audit plan as presented subject to future adjustments if necessary.</td>
</tr>
<tr>
<td>Moved by:</td>
<td>Mr. Scheidt</td>
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<tr>
<td>Seconded by:</td>
<td>Mr. McNeill</td>
</tr>
<tr>
<td>Discussion:</td>
<td>None</td>
</tr>
<tr>
<td>In Favor:</td>
<td>Unanimous</td>
</tr>
<tr>
<td>Motion:</td>
<td>Passes</td>
</tr>
</tbody>
</table>

8. Review, discussion and possible **Recommendations** on pending and passed legislative actions and potential legislative proposals.

*Mr. Jared A. Smout*

Proposed changes were reviewed. Discussion was held regarding guidance about other future ideas and proposals. This agenda item will be revisited next month.

9. Update and discussion on the progress of the Operations Committee in the RFP for a communications consultant.

*Mr. Ed McNeill*

*Vice Chairman*

An RFP has been sent out for a Communications Consultant. The committee chose November 3 and 9, if needed, in order to conduct interviews. Mr. McNeill will request during the Board meeting this afternoon that the Board of Trustees delegate the authority for the committee to choose the communications consultant.

10. Call to the Public.

This is the time for the public to comment. Members of the Committee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for a later date for further consideration and possible recommendations to the Board of Trustees.

There was no response to the Call to the Public.

11. Schedule future meeting date(s). *(Calendared for Wednesday, November 29, 2017)*

The next meeting will be held on Wednesday, November 29, 2017.


The meeting was adjourned at 11:33 A.M.